The A. F. of L. Weekly News Service gives news accounts and editorial interpretations of matters affecting labor covering in the industrial, legislative, and political fields, and contains other information of benefit to the trade union movement.

AMERICAN FEDERATION OF LABOR

WEEKLY NEWS SERVICE

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WE PLEDGE—
1 BILLION DOLLARS
IN
WAR SAVINGS BONDS
FOR VICTORY

WHOLE NO. 1685 WILLIAM GREEN, President WASHINGTON, D. C., TUESDAY, JULY 27, 1943 GEORGE MEANY, Secretary-Treasurer VOL. 33, NO. 30

AN EDITORIAL

Incentive To Disloyalty

All America rejoiced over the capitulation of Mussolini except Wall Street.

The news of the downfall of Italy's dictator "was construed in financial quarters as another broad step toward victory," says an Associated Press dispatch, and as a result stocks dropped from $1 to $5 a share.

This is a curious phenomenon.

If good news from the war fronts is bad news for Wall Street there can be only one reason—fear of losing fat war profits. Since war industries are working almost entirely for the Government, these inflated profits are being made at the expense of the people of the United States. We submit that it is up to Congress to remove this incentive to disloyalty from the pockets of the speculators and profiteers.

Collective Bargaining Agreements Cover 85 Per Cent Of War Workers

Washington, D. C.—About 85 per cent of American war workers are in plants covered by collective bargaining agreements, Joseph D. Keenan, WPB Vice Chairman for Labor Production revealed.

The newly appointed Vice Chairman declared that "manpower and workers and government share the responsibility for getting rid of any kinks in our production line", and asked that labor-management cooperation be made "a tremendous powerhouse for increased production."

Keenan said that equipment which workers produced in recent months is being used up right now in the invasion of Sicily. "If you had not been at your posts doing your jobs with skill and speed our fighting men might now be on the receiving end instead of on the attacking side," Keenan asserted.

"Every extra gun or plane or ship we produce from the bottom of the barrel of human energy means life to some of our fighting men and destruction to Axis enemies.

"I direct this appeal especially to American trades unions from whose ranks I came. AFL and CIO unions deserve high praise for their adherence to the no-strike pledge and equally for their initiative in finding ways to speed the war effort. I ask them for extra help now to overcome the lag which occurred following no fault of theirs in May and June.

"I know how unavoidable that lag seemed to be but from this point on we must overcome any obstacle, make our equipment better and better and at the same time boost production up and up.

"Organized labor deserves credit for effective leadership in helping to boost war production to its present high level. At the same time it shoulders a major responsibility in getting still better results in the months to come.

"I say this because a survey by the WPB Labor Production Offices indicates that about 85 per cent of American war workers are in plants where collective bargaining agreements exist between unions and management.

"Despite sharp disagreements which have existed at times in some places, collective bargaining machinery in war plants already has formed the basis for joint action between labor and management to boost output, conserve manpower from accidents and illness, save materials and increase salvage.

"I ask labor organizations to extend and improve the pattern of labor management cooperation to accomplish those necessary goals."

AFL Executive Council Meets

Chicago, Ill.—Faced with the consideration of many important war-time labor problems, the Executive Council of the American Federation of Labor will open its regular mid-summer meeting here Aug. 9.

The Council is expected to give its first attention to the failure of Government agencies to hold the line against inflated living costs while wages remain fixed.

Political questions, especially the anti-labor action of Congress in adopting the Connally-Smith Bill over President Roosevelt's veto, will occupy a prominent place on the agenda.

President Green plans to submit to the Council a report on the progress of war production and it will urge even more extensive measures by labor to help win the war.

A special committee, headed by Vice President Daniel J. Tobin, is expected to report to the Council on the result of its conference with John L. Lewis on the application of the United Mine Workers Union for re-affiliation with the AFL.

The most arduous task before the Council is the preparation of its annual report to the convention of the American Federation of Labor scheduled to be held in Boston next October.

Emergency Appeals Court Upholds OPA's Program For Rent Control

Washington, D. C.—The constitutionality of OPA's entire rent control program was upheld in three sweeping decisions handed down by the Emergency Court of Appeals in dismissing the complaints of Stanley W. Taylor of San Francisco, Chalmers G. Wilson and Emma Bennett of Chicago, and the Lakemore Company of Cleveland, Ohio.

In addition, these three important rent control principles were reaffirmed by the Court:

(1) that rent regulations are valid if they are generally fair and equitable in their effects, although an individual landlord may not be able to obtain a fair return on his rental property.

(2) that the Administrator is not required to grant rent adjustments on the basis of individual cost increases,

(3) that landlords whose rentals are lower than rents prescribed by area properties are not entitled to increases on this basis alone.

In the Taylor case the complainant had launched a broad attack upon the Emergency Price Control Act and the Rent Regulations asserting that they violated established constitutional standards. The three-man Emergency Court rejected these contentions. In this decision, the court said:

"Increases in rents have an immediate effect on wage earners. Other items are normally bought in small quantities and a small increase in the price of such commodities makes no great impression upon the wage earner. Rents are paid in lump sums, however, and wage earners are acutely aware of the fact that their living costs are increasing when rents are raised. Furthermore, in the case of most commodities, wage earners can reduce their purchases and thereby adjust their budgets to price increases; in the case of rental housing in war centers, however, workers generally have no choice, because the supply of housing is so severely limited. Accordingly, wage earners tend to demand wage increases to offset encroachments on their living standards resulting from higher rents.

"If such wage increases are not granted, labor friction and strikes may arise to impede the prosecution of the war. If wages are raised, the pressure for increased prices soon makes itself felt. Further demands for wage increases are thereby engendered. Thus an inflationary spiral initiated by rent increases gathers momentum. The vital importance of the rent control program to the war effort is thus apparent."

FDR Pledges Action To Cut Prices After Labor Calls For Showdown

The Call For Action!

Washington, D. C.—Text of the Combined War Labor Board's statement to President Roosevelt on the stabilization program follows:

"In your message to Congress on July 2, stating your reasons for disapproving the Commodity Credit Corporation bill, you set forth with convincing emphasis the necessity of reducing the cost of living by rolling back food prices through the use of subsidies. The roll-back of food prices was necessary, you said, to carry out the mandate of Congress in the act of Oct. 2, 1942, to stabilize wages and prices 'so far as practicable * * * on the basis of the levels which existed on Sept. 15, 1942.'

"On July 8 Congress recessed after according to your proposal by leaving no legislative restrictions for the carrying out of the proposed roll-back of food prices.

"On July 15 Price Administrator Prentiss Brown publicly stated that he has no present plan to subsidize a roll-back of food prices beyond that which you had authorized in May of this year. This limited program fails far short of the objectives clearly stated in your message of July 2, and the greater part of this limited program was already in effect and operating on that date.

"We are unable to find any steps being taken at the present time to carry out your other objectives. If your Administrators have decided not to carry out in full the program which you proposed and which Congress permits, it will, of course, be impossible for organized labor to continue in its support of the wage and price stabilization program as now formulated.

"You have stated with dramatic clarity in your veto message to Congress the desperate consequences to the American people of failure to hold the line on both prices and wages. We share these expectations. We know that whatever may be the supposed benefits of inflation to those who are seeking to destroy the stabilization program the people of the United States will be the victim.

"If failure to carry out the stabilization of prices in line with wage stabilization brings the consequences which you stated must inevitably follow, organized labor cannot be held to account for that result which it did not seek and which it has exerted all of its efforts to avoid.

"As the July 15 price increases which you proposed can restore confidence in the plain people of America that inflation can be and will be checked. Continued failure to make the changes that only trivial savings will result from the program you propose, these savings according to our calculations can be substantial."

President Says New Plans To Reduce Living Costs Are Being Prepared

Washington, D. C.—Spurred to action by the demands of organized labor, President Roosevelt announced at a White House press conference that he is preparing for presentation to Congress a new program to hold down the cost of living.

The President's announcement came a day after the Combined Labor War Board, made up of AFL and CIO leaders, called upon him for a showdown on the rapidly deteriorating economic stabilization program.

In his talk to the newsmen, the President said he sympathized with the predicament American workers have been placed in by rapidly rising prices for food while their wages have been virtually frozen. He gave no clue to the nature of his new plans to remedy the situation.

Labor leaders were encouraged to believe that the President would institute immediately far-reaching programs for the roll-back of staple food products, the prices of which are now far too high.

They told the President at a White House conference which lasted more than an hour that unless such action were taken labor would have no other alternative but to withdraw its support from the economic stabilization program and seek revision of the WLB's "Little Steel" formula which now blocks wage increases.

AFL President William Green told reporters after the conference with the President that OPA Administrator Prentiss Brown had failed to keep prices down to the level of Sept. 15, 1942, as required by the Price Control Act. He bluntly warned that unless Brown measured up to his job and carried out the spirit and intent of the law, "we will have to ask for his removal." He added:

"Wages are now practically frozen while prices are soaring. Our acquiescence of the stabilization program was based upon the assurance that both prices and wages would be stabilized.

"We pointed out to the President that the 'Little Steel' formula is antiquated. It is rendered out of date and oppressive because prices continue to go up while wages stand still. Either prices must be brought down, or the War Labor Board must revise the formula."

Mr. Green acted as spokesman for a group of AFL and CIO leaders who conferred with the President on the problem and presented to him a statement which is printed in adjoining columns.

Green Urges Central Labor Unions To Poll Congressmen On Security Bill

Washington, D. C.—AFL President William Green called upon all State and Central Labor Unions and Labor Unions to name official delegations to interview their Congressmen on legislation affecting the interests of American workers.

Mr. Green emphasized particularly the need of developing support in Congress for the Wagner-Murray-Dingell Social Security Bill, drafted and sponsored by the AFL, which should be adopted promptly in order to help safeguard the nation against post-war upheavals.

The AFL President also inclosed with his letter the record votes of all Representatives and Senators on the anti-labor Connally-Smith Act.

"As you know, Congress has recessed until Sept. 14," Mr. Green wrote to the central bodies. "This recess is primarily to enable members of Congress to find out what the people back home are thinking and what they want.

"It is your opportunity and responsibility to arrange for an official group representing your Central Labor Union to get in touch with your Representatives and make clear to them labor's position on a matter of primary importance.

"Good news from our fighting fronts is an indication that we must speed up the present plans for conversion of our industries for production for peace-time needs.

"That reconversion means change for between 20 and 40 millions in our national work force. Industrial conversion requires from 6 to 18 months; public works require 2 years from the date of authorization until they actually provide jobs. Millions must move from the location of war industries to the areas of normal production, and women will come back from armed services to reclaim old jobs and displace other men and women employed during their absence. We face a period of serious dislocation of Labor unless the immediate strengthening of social insurance and public works and supporting workers against being forced on relief during this period.

"Social insurance is not a gift. We must invest from our earnings in order to buy insurance for emergencies. It is sponsored by the AFL's work force of all time is employed to supply both our civilian and military needs. National income is at a new high. Taxes also are at an all-time high. Our Government is spending 100 billions for this year alone. Next year's taxes will be still higher. All that can be collected now must go to pay for all-out war production.

"Workers are doing their full share. Practically all who earn are paying direct taxes. We know that all our surplus income will go to the Government, either by taxation or forced loans, as well as income that formerly went for the comforts of living for our families. We have the choice: Either rates will be increased and new kinds of taxes provided, or we may increase federal credit by income transaction and the taxpayer receives no return but the second provides a permanent investment which first finances the war and in addition benefits the workers. We realize the utility of requiring a reduction in the amount deducted from wages so suggest increasing deductions and investment in that income for a social insurance fund to see wage earners through emergencies. Social insurance funds are invested in federal bonds and immediately serve as credit for the war effort and later provide funds for insurance payments.

"H. R. 2861 and S. 1161, identical bills, were sponsored and introduced at the request of the American Federation of Labor. Constitutional provisions make it necessary for the House to act first. According to House rules its Ways and Means Committee handles the bill. That committee will not hold hearings unless it is convinced there is a great demand for action on this legislation. All Central Labor Unions should get busy immediately to see your Representatives while they are in your district and ask them to support the Central Labor Unions whose Representatives are members of the Ways and Means Committee to hold hearings and take action on the bill. You can exercise the local pressure necessary to supplement what we do in Washington. Act now. Do not fail the other members of the American Federation of Labor."

NLRB To Throw Out Kaiser Case

Washington, D. C.—The National Labor Relations Board acted to remove from its docket a charge of unfair labor practices against the Kaiser Co. shipbuilders, by setting a hearing Aug. 31 for the parties to show cause why the proceedings should not be dismissed.

The American Federation of Labor succeeded in having adopted as an amendment to the Appropriations Act governing the use of funds by the National Labor Relations Board a prohibition stating that "no part of the funds appropriated * * * shall be used in any way in connection with a complaint case arising over an agreement between Management and Labor which has been in existence for three months or longer without complaint being filed."

Since the Kaiser contract with the AFL is several years old, the NLRB, in accordance with the rider, will be compelled to abandon its case.

While all contracts between employes' organizations and employers will be valid if they have been in existence three months and no charges may be made against employers after that period, it was made clear by the NLRB that the prohibition in the law does not apply to company-dominated unions.

UNEMPLOYMENT BENEFITS DECREASE IN NEW YORK

Albany, N. Y.—Unemployment insurance benefits of $1,086,569 were paid in June to 18,000 men and women in New York State during June, the first month of the current fiscal year, it was announced by Milton D. Loysen, executive director of the Division of Placement and Unemployment Insurance. This represents a decrease of 23.8 per cent from May and is the lowest monthly expenditure since the beginning of unemployment insurance in the state.

Increased employment in virtually all sections of the state accounted largely for the decreased payments, Mr. Loysen reported.

THIRTY COAL MINERS INDICTED IN PITTSBURGH

Washington, D. C.—Thirty participants in the recent strike by insurgent coal miners in southwestern Pennsylvania were named in indictments returned by a Federal grand jury at Pittsburgh, it was learned to be handed down on charges of violating the new Connally-Smith War Labor Disputes Act law. Under the law the maximum penalty is a fine of $5,000 or imprisonment for one year, or both, on each count.

The defendants are charged with having directed strikes interrupting the operations of 24 coal mines which were in the possession of the Government.

The indictments, which were disclosed here by Attorney General Francis Biddle, charge violations of the law beginning June 26 and continuing up to the present time. All the defendants are officers or members of local unions of the United Mine Workers of America.

NAB CODE DOES NOT BAR LABOR UNIONS FROM AIR

New York City.—The Radio Committee of the Council on Freedoms from Censorship accepted the assurance of the NAB Code Compliance Committee that there is nothing in the trade association's code which discriminates against labor unions from selling time to labor unions.

According to the conferees' agreement, individual stations remain the final judges of what constitutes controversial and non-controversial matter, although unions per se are not to be deemed controversial. The meeting had been prompted on the CFFC's part by the fear that an amendment to the AIB's code, which was passed by the NAB convention in Chicago May 5, might be interpreted by some broadcasters as a bar to selling time to labor unions. The amendment dealt with membership solicitation.

The AFL Plan To Banish Fear of Want

Eighth Article Recommends Amendment To Social Security Law To Provide Hospitalization Insurance

The social security law should be amended to include insurance for paying hospital bills. The conventions of the American Federation of Labor, after careful study and deliberation, have sponsored the addition of hospitalization insurance to our social security system.

Hospital Bills Are Unexpected

The worst thing about a hospital bill is that you can never know when to expect to have to incur one. Some member of your family may have to go to the hospital just when you are very short of money. A family may go along for years with no accidents and then, within a few months, one child may have a ruptured appendix and another, right afterwards, may have to go to the hospital for some other serious illness. When things like that happen, even a reasonable hospital bill could run up to a large part of the year's wages; or if it is the wage-earner who is sick, the hospital costs might set the family back for years. No matter how low the charges may be for the hospital's services to the patient, and no matter how generous the arrangements for paying the bill in instalments, the payments may mortgage the family's earnings way into the future; or else they may be paid out for past expenses, without building any reserve for the next sickness.

People With Insurance Can Afford Hospital Care

People who have hospitalization insurance can go to the hospital as soon as the doctor tells them that care is necessary. They don't have to wait until they are half dead to overcome fear of the hospital bill. Physicians often need a hospital's facilities for doing a first-class job on a human body; but they frequently hesitate to send a patient to a hospital because of the bill, and so the patient fails to get the kind of care which could help him to recover most quickly. Sick people who have hospitalization insurance can also stay in the hospital long enough to get well, instead of trying to leave too soon in order to save money, taking chances on a relapse or on having complications set in. Certainly we could be spared many long and serious illnesses if we felt freer about going to the hospital, and staying there as long as we needed to. Just for an example, if you had hospitalization insurance covering your family as well as yourself, your wife could have the baby in the hospital and could stay there as long as necessary, without your feeling that you would have to keep on paying for the baby in instalments after it had learned to walk. Hospitalization insurance wouldn't cover the doctor's bill, but it would cut down the cost of sickness by paying the hospital bill or most of it.

Insurance Is a Right Not a Charity

If we had hospitalization insurance for ourselves and our families, none of us would have to ask for charity care in hospitals. When we have insurance that gives the right to hospital care we can improve our health and working capacity enormously. We can give our children much stronger and healthier bodies.

Insurance Spreads Risks and Costs

A nation or a large group of people can predict fairly accurately what sicknesses it may have in the course of a year, and how many days of hospital care that the sick people will need; but a family can not do so. A nation can estimate its hospital costs for a year, add a reserve for unforeseen contingencies and figure out an insurance program, pro-rating the costs as premium payments among the insured people or families. Then the insured person who has no hospital bill for some years is doubly lucky; he has his health and also the safe feeling that his hospital bill would be taken care of if he should get sick. Some other year his hospital bills may cost more than he has paid into the insurance fund during many healthy years.

Insurance Maintains Services

Hospitalization insurance helps the hospital as well as the patient. This is very important, for many fine hospitals are handicapped by lack of money. A hospital must provide room and board suited to the special needs of each patient. It must have nurses and doctors who have taken long and expensive training to fit themselves for the work. Its equipment and upkeep are very expensive. Every empty hospital bed is a loss. The more patients a hospital has (up to its capacity) and the more completely its regular and special services and equipment are used, the lower it can make the charges to each patient and the better the service it can give for the money.

Hospitalization insurance provides for paying the hospital bills at once, instead of slowly and painfully over months or years. It simplifies the arrangements for entering the hospital and it does away with the requirement of a down payment when the patient is admitted. Besides sparing the family, this saves the hospital time and money and assures it a steady income which it can count upon in planning to serve the community. Even limited insurance benefits that pay only for hospital bed and board would keep and help both the hospital and the patient. Many people could find the money to pay for the other hospital costs. Insurance benefits which provided certain other customary services, like laboratory analyses and X-rays, would enable hospitals to expand and to improve their facilities, and to serve many more working families which cannot now afford to use them. Insurance benefits will help good hospitals in small communities to build themselves up to the people's needs and will enable many communities in places that are now in desperate need of them to establish hospitals, because the hospitals can count upon a regular income from insured patients.

Relation to Private Hospital Insurance

Not having hospitalization insurance in our social security system, we have tried to build up private hospitalization plans. Some of these like the Blue Cross plans are doing fine and useful work. Some of the private plans, unfortunately, are not managed well enough, and are not free enough from exploitation to give the kind of protection the members thought they were paying for. In most of these plans the members have had no voice in the management. There is no reason why the good voluntary hospital insurance plans should not continue and even expand when we get hospitalization insurance in our social security system. Social insurance does not aim to cover all the hospital expenses, but aims to lighten the burden by meeting the basic charges. We can carry private hospitalization insurance to take care of the extra costs as wages are increased. Just as we have increased our private and industrial pensions, pro-rating the costs as premiums among the insured people or families. Then the insured person who has no hospital bill for some years is doubly lucky; he has his health and also the safe feeling that his hospital bill would be taken care of if he should get sick. Some other year his hospital bills may cost more than he has paid into the insurance fund during many healthy years.

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Coverage and Benefits

Hospitalization insurance should be provided for all workers who are now covered by old age and survivors' insurance and for the members of their families who are dependent upon them for support. However, it would interference with workmen's compensation arrangements, occupational injury cases should be excluded. Insurance benefits should pay hospital bills of $21.00 a day, or $25.00 a day, or else reasonable hospital costs; the social security board would have to work out the practical administrative details. Each injured person and each member of his family whom he supports should have as many as 30 days of hospitalization benefits a year, if he needs it; and if the condition of the hospitalization funds permits, each one might have up to 60 days of benefits a year. Most of us won't need anything like that much care; but think what it will mean to those who do need it. We can help them and can provide hospital care for ourselves and our families, at much less worry and without heavy, unexpected expense, if we share the risk and the burden of these costs by adding hospitalization insurance to our social security system.

A. F. OF L. COMMITTEE ON SOCIAL SECURITY.
MATTHEW WOLL, *Chairman.*
GEORGE MEANY.
G. M. BUGNIAZET.
JOHN P. FREY.